NUEXCO

EXECUTIVE SUMMARY
REPORT 195
(All data as of October 31, 1984)

Exchange Value $16.00, down $1.50

The **Exchange Value** is **$16.00** per pound U_3O_8, down $1.50 since last month. Eleven recent uranium sales are reported, involving a total of 1.6 million pounds U_3O_8 equivalent. Four were sales of natural UF_6; all involved deliveries prior to 1986, and five met the conditions for inclusion in the Transaction Value.

Supply-Demand Ratio fell to 4.3:1

Active spot and near-term **uranium supply** amounts to **5.5 million** pounds U_3O_8 equivalent, down 40 thousand pounds since last month. Active spot and near-term **uranium demand** totals **1.3 million** pounds, up 320 thousand pounds. The spot and near-term **supply-demand ratio** fell to **4.3:1.**

Transaction Value fell $0.50, to $16.05

The **Transaction Value** is **$16.05** per pound U_3O_8, down $0.50 since last month. The calculation includes 10 transactions involving a total of 2.7 million pounds U_3O_8 and equivalent UF_6, and covers a period of 5 months.

Loan Use Charge Rate unchanged at 6%

The **Loan Use Charge Rate** remains **6 percent** per annum in a dormant market.

Conversion Value unchanged at $1.00

The **Conversion Value** is **$1.00** per pound U as UF_6, unchanged since last month. No secondary market conversion transactions are reported. Active secondary market supply of conversion services for delivery within three years totals 1.2 million pounds U as UF_6. No active demand is reported.

SWU Values Unchanged:
$115 for DOE-origin (FY85)
$20 discount for FY86
$90 for non-DOE origin (delivery within 15 months)
$98 for calendar year 1986

The **SWU Values** are **$115** per SWU of DOE origin and FY85 delivery, at .3 tails, and **$20** per SWU discount from DOE base price for FY86 delivery (at .3 tails). SWU Values for non-DOE origin are **$90** per SWU for delivery within 15 months, and **$98** per SWU for calendar year 1986. Eight secondary market SWU transactions are reported, involving 620 thousand SWUs. Active secondary market SWU supply amounts to 650 thousand SWUs, while active demand totals 170 thousand SWUs. This month's Report reviews the status of enrichment services coverage throughout the world.

Analysis & Commentary

The first in a series of three articles on the concepts and applications of the optimum tails assay demonstrates that standard analytical techniques often fail to reflect current market conditions.

Australia

The Australian government has agreed to buy 1.6 million pounds U_3O_8 from Queensland Mines (QML) over the next two years. The government ban on uranium sales to France blocked scheduled QML shipments to EDF.

South Africa

Third quarter Chamber of Mines uranium production of 3.5 million pounds U_3O_8 was down slightly from the previous quarter.

United States

The Energy Information Administration recently released information on uranium reserves and 1983 production in the USA.

This Executive Summary may be reproduced for internal distribution.

© NUEXCO 1984

NUEXCO

NUEXCO REPORT 195 FIGURES OF THE MONTH (October 31, 1984)	This Month (Report 195)	Last Month (Report 194)	12 Months Ago (Report 183)
Exchange Value[1]	16.00	17.50	23.50
Transaction Value[1]	16.05	16.55	23.65
Loan Use Charge Rate[2]	6%	6%	6%
Conversion Value[3]	1.00	1.00	0.60
Near-Term Uranium Supply[4]	5.5	5.5	5.9
Near-Term Uranium Demand[5]	1.3	0.96	3.1
Near-Term Supply-Demand Ratio	4.3	5.8	1.9
Recent Uranium Sales:			
Number of Transactions[6]	11	4	3
Quantity of Material[7]	1.6	2.0	0.1-0.3
Nuexco SWU Values:[8]			
DOE origin, FY85 delivery, 0.3 tails assay	115	115	—
DOE origin, FY86 delivery, 0.3 tails assay	20[9]	20[9]	—
non-DOE origin, delivery within 15 months	90	90	—
non-DOE origin, delivery for calendar year 1986	98	98	—
USDOE SWU Prices:			
USEC	135.00	135.00	—
AFC	153.00[10]	153.00[10]	138.65
Requirements	157.00[10]	157.00[10]	149.85
Market Value of Enriched UF_6[11] [12]:			
2.5 w/o U_{235}	528	549[13]	654
3.0 w/o U_{235}	683	709[13]	839
3.5 w/o U_{235}	842	872[13]	1,028
4.0 w/o U_{235}	1,003	1,038[13]	1,219

[1]US $ per pound U_3O_8 equivalent.
[2]Per annum.
[3]US $ per pound U as UF_6.
[4]Active inquiries to sell, for delivery within 12 months after contract signing (millions of pounds U_3O_8).
[5]Active inquiries to purchase, for delivery within 12 months after contract signing (millions of pounds U_3O_8).
[6]Uranium sales only; does not include loans, conversion, or SWU transactions.
[7]Millions of pounds U_3O_8, equivalent.
[8]US $ per SWU.
[9]Discount from USEC base price on delivery.
[10]Effective 10/1/84.
[11]Calculated using the Nuexco Exchange Value, Conversion Value, and 0.30 percent tails assay. From 10/31/83 through 2/29/84, calculations used the Nuexco SWU Value for DOE origin and FY84 delivery. As of 3/31/84, calculations use the Nuexco SWU Value for DOE origin and FY85 delivery.
[12]US $ per KgU as UF_6, rounded to the nearest $.
[13]Recalculated at 0.30 percent tails assay.

INDEX TO LAST MONTH'S REPORT (194)

Topic		Page
Focus	Japan's Nuclear Fuel Fabricators	14
Australia	Government-Enforced Ban on U Exports to France	16
Japan	MITI Advisory Committee Findings	16
Switzerland	Defeat of Anti-Nuclear Referenda	19
United States	IEC Acquires Westinghouse Lamprecht Property plus Cash	20
Raw Materials	Uranium in the USSR	21
Uranium Marketing and Prices	*Natural Uranium and Conversion* Pricing in September 1984	1
	Enriched Uranium and SWUs Pricing in September 1984	2

© NUEXCO 1984